

temporary nature of the solution), there are few major differences in reactions to these benefits and drawbacks by type of customer.

Finally, even for this less popular option, we once again find that cellular and paging customers apparently feel that at least two of the benefits tested (standard service would keep the 203 area code, and fewer customers would have to switch) seem to outweigh the drawback of having to reprogram their equipment.

New Customers: The benefits and drawbacks tested for *new customers* were the following:

Benefits:

- All current customers would keep their existing area code;
- The customers who get the new area code will be changing their telephone number anyway, since they'd be new customers;
- No existing customers would have to update their stationery, business cards, etc.

Drawbacks:

- Neighbors could have different area codes;
- Consumers or businesses that add a new telephone line could have different area codes within the same household or company;
- Because some local calls would be to a different area code, many local calls would require dialing 10 digits;
- Business equipment making outgoing calls -- such as fax machines, modems, alarm systems, and automatic dialers -- would need to be reprogrammed to take 10-digit local calling into account;
- There would be no geographic boundary between area codes.

In Chapter 1, we saw that the *new customers* option was *least* likely to be chosen as the option customers would like to see adopted right now. Customers' reactions to the benefits and drawbacks tested for this area code solution help us understand why – the items that customers are *most likely* to feel strongly about when it comes to this option, by far, are *drawbacks*.

Specifically, large majorities of both residence (69%) and business (74%) customers consider it a major drawback that *customers could have different area codes within the same household or business*. Moreover, majorities of both residence (62%) and business (64%) customers consider it a major drawback that *neighbors could have different area codes*. Both of these aspects of new customers seem to run counter to customers' desire for clarity, ease, and logic in a new area code strategy, and both of them are considered major drawbacks by strong proportions of customers. Moreover, and importantly, the proportions in the table below indicate that customers seem to feel that these two drawbacks outweigh any of the benefits tested for the *new customers* option.

	Residence Customers			Business Customers		
	Total	Cellular Total	Pager Total	Total	Small Business	Large Business
New Customers:	%	%	%	%	%	%
% Major Benefit:						
All current customers would keep 208 area code	55	54	53	56	55	61
No customers would need to update stationery, etc.	46	48	45	56	57	54
New customers would be changing number anyway	30	30	27	26	26	26
% Major Drawbacks:						
Could have different area codes in household/business	69	69	68	74	74	82
Neighbors could have different area codes	62	63	63	64	64	68
Some local calls would require 10 digits	50	46	50	49	49	50
There'd be no geographic boundary between area codes	44	43	48	46	45	57
Business equipment would need to be reprogrammed for outgoing calls	42	37	36	41	41	34

Conclusion

Customers' reactions to the options themselves, as well as their reactions to the proposed benefits and drawbacks of the options, help us understand why most choose *geographic split* over the other tested methods of introducing a new area code. Geographic split is more likely to satisfy what appears to be an important need among customers — the need for an area code arrangement that is clear, simple, and easy to grasp. The other two options are not only less likely to satisfy this need, but they also bring with them some specific concerns, concerns that (according to the results) appear to outweigh whatever benefits they may bring. In particular, customers (especially large business customers) are concerned about

the temporary nature of the *specific services* option, and they're very concerned about the fact that the *new customers* approach could mean multiple area codes within a home or business, as well as neighbors with different area codes.

In the next chapter of this report, we'll examine the degree to which the interview's discussion of benefits and drawbacks may have influenced overall preferences across the three options.

3

The Impact of ‘Education’

Introduction

In Chapter 1, we saw that on the basis of simple descriptions of the three area code options, majorities of customers – residence and business, wireless and non-wireless – prefer the *geographic split* option. In this chapter, we’ll see that after they’re exposed to a range of potential benefits and drawbacks to each option, customers become even more likely to prefer *geographic split* than they were initially.

Preferences After Benefits and Drawbacks

After having heard and reacted to the tested benefits and drawbacks for each option, customers were asked the following question: “Now that you’ve heard this information about the area code options, which of the three options would you most prefer to see adopted right now?”

Based on the findings from Chapter 2 – in which we found that customers react positively to *geographic split*’s proposed benefits, but react negatively to specific

service's temporary nature and to new customer's potential for multi-area code households and businesses — one might expect that the end-result of the benefits/drawbacks discussion would be even stronger preferences for *geographic split*. In fact, although this was generally the case, the pre-test vs. post-test movement to geographic split is somewhat more significant among business customers than it is among residence customers:

	Residence Customers		Business Customers	
	Before Discussion	After Discussion	Before Discussion	After Discussion
	%	%	%	%
<i>Prefer Adopted Right Now:</i>				
Geographic split	54	57	54	60
Specific services	27	22	31	26
New customers	16	17	12	12
Not sure	3	4	3	2

Specifically, the proportion of customers choosing *geographic split* as the option they'd prefer to see adopted right now went from:

- 54% among residence customers before the discussion of benefits and drawbacks, to 57% after the discussion.
- 54% among business customers before the discussion, to 60%.

By contrast, while the proportion choosing *new customers* remains fairly constant across the two measures, the proportion choosing *specific services* declined somewhat, from:

- 27% among residence customers before the discussion of benefits and drawbacks, to 22% after the discussion.
- 31% among business customers before the discussion, to 26%.

What types of customers were most likely to change their opinion after hearing the benefits and drawbacks? According to the results, the survey's "education" process appeared to have the largest impact on:

- Residence customers with both a cellular phone or a pager. Before the benefits and drawbacks discussion, 56% of these customers preferred geographic split; after the discussion, 66% chose this option. Similarly, the percentage of customers in this group preferring specific services dropped from 24% to 15%.
- Smaller business customers. The percentage choosing geographic split increased from 53% before the discussion to 60%. The proportion choosing specific services dropped from 32% to 26%.

***Fairness After
Benefits and
Drawbacks***

Similar results are seen when we compare perceptions of the *fairest* option before and after the discussion of benefits and drawbacks. As the following table shows, the proportion of residence customers choosing geographic split as fairest goes from 54% before the discussion to 57% after the discussion. And again, the option that declines the most on this measure is specific services – going from 24% before the discussion to 19% after the discussion.

Movement among business customers was more modest, but in the same direction – 60% chose geographic split as fairest before the discussion; 62% chose it as fairest after the discussion.

	Residence Customers		Business Customers	
	Before Discussion	After Discussion	Before Discussion	After Discussion
	%	%	%	%
Which Would Be Favest?				
Geographic split	54	57	60	62
Specific services	24	19	24	22
New customers	17	18	12	13
Not sure	6	6	4	4

Geographic Split: Who Gets the Area Code Change?

In Chapter 2, we saw some evidence that self-interest may have been at the root of *some* customers' preferences for the *specific services* and *new*

customers options. Specifically, we found that some proportion of customers choosing these options did so because it would mean that they personally would not have to change their area code.

In this section, we'll examine the degree to which self-interest influences customers' opinions of the *geographic split* option. Specifically, customers who (after the discussion of benefits and drawbacks) stated that they would prefer to see *geographic split* adopted right now were asked the following question: "Suppose that if the *geographic split* were used, your own part of the state would get the new area code. In that case, which of the three options would you prefer?"

According to the results, those who prefer *geographic split* remain consistent in their choice of this option, even if it means that they themselves would get a new area code. In fact, 91% of residence customers and 90% of business customers who preferred *geographic*

split stated that they would *continue* to prefer this option if they were to get the new area code.

	Among Those Preferring Geographic Split After Discussion of Benefits/Drawbacks	
	Residence Customers	Business Customers
	%	%
<i>If Your Area Code Would Change with Geographic Split, Which Would You Prefer:</i>		
Geographic split	91	90
Specific services	5	5
New customers	3	4
Not sure	1	2

On the other hand, customers who (after benefits and drawbacks) chose an option other than *geographic split* were asked the following question: "Suppose that if the geographic split were used, your part of the state would keep the 203 area code. In that case, which of the three options would you prefer?" Although most of these customers would stay with their additional choice, significant proportions would switch to geographic split.

Specifically:

- Among residence customers, 25% of these customers would prefer geographic split if they knew that they would keep the 203 area code;
- Among business customers, 30% would prefer geographic split.

	Among Those Preferring Specific Services or New Customers After Discussion of Benefits/Drawbacks	
	Residential Customers	Business Customers
	%	%
If Your Area Code Would Not Change With Geographic Split, Which Would You Prefer?		
Geographic split	25	30
Specific services	40	37
New customers	26	27
Not sure	8	6

These results add a new perspective to our understanding of why customers choose one option over the others. The results corroborate the notion that those choosing geographic split are most interested in an area code arrangement that is clear and simple, even if it means that they themselves would get a new area code. On the other hand, the results also corroborate the notion that at least some customers who choose *specific services* or *new customers* do so with their own interests in mind – since a significant proportion (although admittedly not the majority) would prefer geographic split if they could be guaranteed that their area code would not change.

Methods of Communicating the Change

Toward the end of the interview, customers were asked to name what they would consider to be the most effective methods of communicating news about the area code change to customers. Although, customers mentioned a wide variety of possible communications methods, bill inserts were most likely to be suggested (by 60% of both residence and business customers).

Forming a next "tier" of preferred methods were a direct mailing (45% of residence customers, 51% of business customers), television ads (45% and 44%), and newspaper ads (41% and 42%). Falling farther down the list are radio ads (27% and 27%), phone calls from SNET (18% and 17%), and billboards (1% and 2%).

	Residence Customers	Business Customers
	%	%
What Communications Method Would Be Most Effective?		
Bill inserts	60	60
Special mailing from SNET	45	51
Television ads	45	44
Newspaper ads	41	42
Radio ads	27	27
Call from SNET	18	17
Billboards	1	2
Other TV	1	2
Not sure	3	3

Conclusion

In this chapter, we've seen that whether the question is asked from a top-of-mind point of view (based on only a simple description of the options) or an "educated" point of view (after a discussion of the potential benefits and drawbacks of each option), majorities of customers across the board say they: (1) would *most* prefer to see geographic split adopted, and (2) would *least* prefer to see *new customers* adopted. And if anything, the discussion of benefits and drawbacks caused customers to prefer geographic split somewhat more strongly than they did initially — not surprising, given that customers saw significant drawbacks in both *specific services* and *new customers*.

A final important point was uncovered in this chapter, and that is that preferences for *geographic split* seem less likely to be driven by self-interest than is the case for *specific services* or *new customers*. Although getting a true read on the motives of survey respondents is a tricky business at best, we do know that the vast majority of customers (about 90%) who prefer geographic split continue to do so when they're told to assume that they themselves would get a new area code. On the other hand, somewhat fewer customers choosing one of the other options would stick with that option if they knew that the geographic split option would not affect them. In that case, some 25% of residence and 30% of business customers would switch their support to geographic split.

Appendix

**Survey
Questionnaire**

The Taylor Group, Inc.
6 Glenville Street
Greenwich, CT 06831

ID No. _____

Study # 543632

SNET - Connecticut Area Code Change

Draft Date: January 4, 1994 (Eam)

Interviewer: _____ Date: _____

Telephone Number: _____

Hello, my name is _____, calling from The Taylor Group, a research and consulting firm. We're conducting a survey for SNET on the possibility of a new area code in Connecticut.

May I speak with the person in your (household/company) who knows the most about the way your (household/company) uses the telephone?

WHEN APPROPRIATE RESPONDENT IS ON PHONE:

Hello, my name is _____, calling from The Taylor Group. We're conducting a survey for SNET on the possibility of a new area code in Connecticut.

I want to assure you that I'm not selling anything, nor will a sales call follow our interview today. We're conducting an opinion survey and your answers will be held strictly confidential.

1. I'd like to begin by getting some background information about your (household/company). First, (what city or town do you live in/in what city or town is your company located)?

ASK Q.2a-Q.2c OF RESIDENCE CUSTOMERS ONLY

2a. Do you, or does anyone in your household, have a cellular phone or mobile phone?

Yes, respondent has cellular/mobile _____ -1 (ASK Q.2ba)

Yes, other in household has cellular/mobile _____ -1 (ASK Q.2ba)

No, do not have cellular or mobile _____ -2 (SKIP TO Q.2ca)

Not sure _____ -3 (SKIP TO Q.2ca)

2ba. As you may know, a cellular telephone is a telephone that you can use when you are traveling away from home. Some cellular telephones are permanently installed in a car, while others are small enough to take with you and use while you are walking down the street, in your car, in a shopping mall, etc. Please keep in mind that I'm not talking about a cordless phone that is tied to your home telephone number.

Do you, or does anyone in your household, currently have a cellular telephone that you can use when you are traveling away from home, or not?

Yes, respondent has cellular	-1	(ASK Q.2bb)
Yes, other in household has cellular	-1	(ASK Q.2bb)
No, do not have cellular	-2	(SKIP TO Q.2ca)
Not sure	-3	(SKIP TO Q.2ca)

2bb. Does your cellular phone have a 203 area code or not?

Yes, has 203 area code	-1
Yes, other in household has 203 area code	-2
No, does not have 203 area code	-3
Not sure/don't know	-4

IF RESPONDENT OR OTHER HOUSEHOLD MEMBER HAS CELLULAR PHONE WITH A 203 AREA CODE IN Q.2bb, COUNT TOWARD CELLULAR QUOTA.

2ca. Do you, or does anyone in your household, have a pager or beeper that lets you know when someone is trying to reach you?

Yes, respondent has pager/beeper	-1	(ASK Q.2cb)
Yes, other has pager/beeper	-1	(ASK Q.2cb)
No, do not have pager/beeper	-2	(SKIP TO Q.3)
Not sure	-3	(SKIP TO Q.3)

2cb. Does your pager or beeper have a 203 area code or not?

Yes, has 203 area code	-1
Yes, other in household has 203 area code	-2
No, does not have 203 area code	-3
Not sure/don't know	-4

IF RESPONDENT OR OTHER HOUSEHOLD MEMBER HAS PAGER/BEEPER WITH 203 AREA CODE, AND IF NOT ALREADY COUNTED TOWARD CELLULAR QUOTA, COUNT TOWARD PAGER QUOTA.

3. Before this interview, had you heard or read anything about the possibility of a new area code for Connecticut?

Yes, had heard or read _____-1
 No, had not heard or read _____-2
 Not sure _____-3

4. As is the case in many states, the number of available telephone numbers in Connecticut has been shrinking, and will continue to shrink. As a result, the state will need to get a new area code in the near future.

There are three possible ways of adopting a new area code in Connecticut, and I'd like to get your reaction to each. Please keep in mind throughout our discussion that the rates you pay for local and toll calls within Connecticut would not be affected by any of these area code options.

RANDOMIZE ORDER OF OPTIONS

- a. We'll call the (first/next) option geographic split. This option would divide Connecticut into two geographic regions. Everyone in one region would keep the 203 area code; everyone in the other region would get a new area code.

In general, would you consider this option to be fair or unfair?

Yes, fair _____-1
 No, unfair _____-2
 Depends (vol.) _____-3
 Not sure _____-4

- b. We'll call the (first/next) option new customers. With this option, households and businesses would continue to use the 203 area code until telephone numbers run out. At that point, all new customers in the state would get a new area code, regardless of where in the state they live.

Overall, would you consider this option to be fair or unfair?

Yes, fair _____-1
 No, not fair _____-2
 Depends (vol.) _____-3
 Not sure _____-4

- c. We'll call the (first/next) option specific services. With this option, a new area code would be assigned only to specific services, such as cellular telephones and pagers. The area code would remain the same for standard household and business service. Please keep in mind that this option would relieve the telephone number shortage for the next few years. After that, another option would need to be adopted.

Overall, would you consider this option to be fair or unfair?

Yes, fair.....-1
No, not fair.....-2
Depends (vol.).....-3
Not sure.....-4

5a. Which of the three options would you most prefer to see adopted right now? **READ LIST**

5b. Which would be your second choice?

	<u>Most Preferred</u>	<u>Second Choice</u>
RANDOMIZE IN SAME ORDER AS Q4		
a. <u>Geographic split</u> , where one part of the state would keep the 203 area code and one part would get a new area code.....	-1	-1
b. <u>New customers</u> , where new customers in the state would get a new area code, regardless of where they live.....	-2	-2
c. <u>Specific services</u> , where a new area code would be assigned to only specific services, such as cellular phones and pagers.....	-3	-3
Not sure.....	-4	-4

5c. What were your main reasons for choosing (ANSWER TO Q-5b) as the option you prefer the most? What other reasons?

5d. Which area code option do you think would be (READ LIST)

RANDOMIZE IN SAME ORDER AS Q.4

- a. Geographic split, where one part of the state would keep the 203 area code and one part would get a new area code.....-1
- b. New customers, where new customers in the state would get a new area code, regardless of where they live.....-2
- c. Specific services, where a new area code would be assigned to only specific services, such as cellular phones and pagers.....-3
- Not sure.....-4

6. I'd like to give you some additional information about each of these options.

RANDOMIZE Q.6a/b, Q.6c/d, AND Q.6e/f IN SAME ORDER AS Q.4

6a. I'd like to read you some possible benefits of the geographic split option, where one part of the state would keep the 203 area code and one part would get a new area code. With the geographic split option (READ EACH ITEM). Do you consider that to be a major benefit of this option, a minor benefit, or not a benefit?

Major Benefit	Minor Benefit	Not Benefit	Not Sure
------------------	------------------	----------------	-------------

RANDOMIZE ORDER

- a. There would be a clear dividing line in the state between one area code and the next.....-1 -2 -3 -4
- b. Everyone within each region would have the same area code.....-1 -2 -3 -4

6b. Next, I'd like to read you some possible drawbacks of the geographic split option. With the geographic split option (READ EACH ITEM). Do you consider that to be a major drawback of this option, a minor drawback, or not a drawback?

Major Drawback Minor Drawback Not Drawback Not Sure

RANDOMIZE ORDER

- a. About one-half of customers in the state would get a new area code.....-1 ____-2 ____-3 ____-4
- b. A large number of customers would need to update their stationery-1 ____-2 ____-3 ____-4
- c. A large number of businesses would need to update their advertising and business cards-1 ____-2 ____-3 ____-4
- d. Customers with cellular telephones or pagers would need to bring their phones and pagers to a specified location, in order to have them reprogrammed with the new area code.....-1 ____-2 ____-3 ____-4
- e. Business equipment such as fax machines, modems, alarm systems, and automatic dialers would need to be reprogrammed.....-1 ____-2 ____-3 ____-4

6c. I'd like to read you some possible benefits of the new customers option, where new customers in the state would get a new area code, regardless of where they live. With the new customers option (READ EACH ITEM). Do you consider that to be a major benefit of this option, a minor benefit, or not a benefit?

Major Benefit Minor Benefit Not Benefit Not Sure

RANDOMIZE ORDER

- a. All current customers would keep their existing area code.....-1 ____-2 ____-3 ____-4
- b. The customers who get the new area code will be changing their telephone number anyway, since they'd be new customers-1 ____-2 ____-3 ____-4
- c. No existing customers would have to update their stationery, business cards, etc.....-1 ____-2 ____-3 ____-4

6d. Next, I'd like to read you some possible drawbacks of the new customers option. With the new customers option (READ EACH ITEM). Do you consider that to be a major drawback of this option, a minor drawback, or not a drawback?

Major Minor Not Not
Drawback Drawback Drawback Sure

RANDOMIZE ORDER

- a. Neighbors could have different area codes -1 -2 -3 -4
- b. Consumers or businesses that add a new telephone line could have different area codes within the same household or company -1 -2 -3 -4

READ ITEM c AND d IN ORDER

- c. Because some local calls would be to a different area code, many local calls would require dialing 10 digits -1 -2 -3 -4
- d. Business equipment making outgoing calls -- such as fax machines, modems, alarm systems, and automatic dialers -- would need to be reprogrammed to take 10-digit local calling into account -1 -2 -3 -4
- e. There would be no geographic boundary between area codes -1 -2 -3 -4

6e. I'd like to read you some possible benefits of the specific services option, where a new area code would be assigned to only specific services, such as cellular phones and pagers. With the specific services option (READ EACH ITEM). Do you consider that to be a major benefit of this option, a minor benefit, or not a benefit?

Major Minor Not Not
Benefit Benefit Benefit Sure

RANDOMIZE ORDER

- a. All standard telephone service would use the existing area code -1 -2 -3 -4
- b. Fewer customers would have to switch area codes -1 -2 -3 -4
- c. Fewer customers would have to update their stationery, business cards, etc. -1 -2 -3 -4

6f. Next, I'd like to read you some possible drawbacks of the specific services option. With the specific services option (READ EACH ITEM). Do you consider that to be a major drawback of this option, a minor drawback, or not a drawback?

Major	Minor	Not	Not
<u>Drawback</u>	<u>Drawback</u>	<u>Drawback</u>	<u>Sure</u>

RANDOMIZE ORDER

- a. Customers with certain services, such as cellular phones or pagers, would need to bring their phones or pagers to a specific location, in order to have them reprogrammed with the new area code _____-1 _____-2 _____-3 _____-4
- b. For technological reasons, this method would only temporarily resolve the number shortage problem. Within a few years, one of the other options would have to be adopted -- _____-1 _____-2 _____-3 _____-4

READ ITEM c AND d IN ORDER

- c. Because some local calls would be to a different area code, many local calls would require dialing 10 digits _____-1 _____-2 _____-3 _____-4
- d. Business equipment making outgoing calls -- such as fax machines, modems, alarm systems, and automatic dialers -- would need to be reprogrammed to take 10-digit local calling into account _____-1 _____-2 _____-3 _____-4
- e. There would be no geographic boundary between area codes _____-1 _____-2 _____-3 _____-4

7a. Now that you've heard this information about the area code options, which of the three options would you most prefer to see adopted right now? **READ LIST**

7b. Which would be your second choice?

	<u>Most Preferred</u>	<u>Second Choice</u>
RANDOMIZE IN SAME ORDER AS Q.4		
a. Geographic split.....	____-1	____-1
b. New customers	____-2	____-2
c. Specific services	____-3	____-3
Not sure.....	____-4	____-4

7c. And now that you've heard this additional information, which area code option do you think would be fairest for everyone in the state? **READ LIST**

RANDOMIZE IN SAME ORDER AS Q.4		
a. Geographic split.....	____-1	
b. New customers	____-2	
c. Specific services	____-3	
Not sure.....	____-4	

7d. ASK THIS VERSION IF GEOGRAPHIC SPLIT IS THE PREFERRED OPTION IN Q.7a:
You mentioned earlier that the option you would most prefer to see adopted is geographic split. Suppose that if the geographic split were used, your own part of the state would get the new area code. In that case, which of the three options would you most prefer? **READ LIST**

ASK THIS VERSION IF GEOGRAPHIC SPLIT WERE NOT THE PREFERRED OPTION IN Q.7a: You mentioned earlier that the option you would most prefer to see adopted is (ANSWER TO Q.7a). Suppose that if the geographic split were used, your part of the state would keep the 203 area code. In that case, which of the three options would you most prefer? **READ LIST**

RANDOMIZE IN SAME ORDER AS Q.4		
a. Geographic split.....	____-1	
b. New customers	____-2	
c. Specific services	____-3	
Not sure.....	____-4	

8. What methods should SNET use to notify customers about this change? READ LIST IF NECESSARY - MULTIPLE RECORD

Bill inserts/information in telephone bill.....	_____	-1
Separate mailing from SNET, apart from bill	_____	-1
Newspaper ads	_____	-1
Television ads	_____	-1
Radio ads	_____	-1
Calls from SNET	_____	-1
Other (SPECIFY):		
_____	_____	-1
Not sure	_____	-1

F4. Are there specific towns in Connecticut that you tend to call most frequently? (IF YES) Which ones?

F5. How old are you? IF HESITANT, READ LIST

18 to 24.....	-01
25 to 29.....	-02
30 to 34.....	-03
35 to 39.....	-04
40 to 44.....	-05
45 to 49.....	-06
50 to 54.....	-07
55 to 64.....	-08
65 to 74.....	-09
75 and over.....	-10
Not sure.....	-11
Refused.....	-12

F6. Are you currently single, married, divorced, separated, or widowed?

Single.....	-1
Married.....	-2
Divorced.....	-3
Separated.....	-4
Widowed.....	-5
Refused.....	-6

F7a. Are there any children living in your household?

Yes.....	-1	(ASK Q.F7b)
No.....	-2	(SKIP TO Q.F8)
Refused.....	-3	(SKIP TO Q.F8)